MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BOB2614 - ORGANISATIONAL BEHAVIOUR

(All Sections/Groups)

5 MARCH 2016
9.00 a.m – 12.00 p.m
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This Questions paper consists of 2 pages with **TWO** sections (excluding cover page).

2. Answer **ALL** questions in **Sections A and B.** The marks for each Section are given in the question paper.

3. Please write your answers in the Answer Booklet.

SECTION A (40 marks): Case Study. Answer ALL questions.

Albertsons Works on Employee Attitudes

Albertsons is a huge grocery and drug company. It has more than 2,400 supermarkets and its Osco and Sav-on brands make it the fifth-largest drugstore company in the United States. In a typical year, shoppers will make 1.4 billion trips through its stores.

Albertsons competes in tough businesses. Wal-Mart, in particular, has been eating away at its market share. With revenues flat and profits falling, the company hired Larry Johnston to turn the business around.

Johnston came to Albertsons from General Electric (GE). And it was while he was at GE, that Johnston met a training specialist named Ed Foreman. Foreman endeared himself to Johnston when the latter hired Foreman to help him with a serious problem. At the time, Johnston had been sent to Paris to fix GE Medical Systems' European division. The division made CT scanners. Over the previous decade, four executives had been brought in to turn the division around and try to make it profitable. All had failed. Johnston responded to the challenge by initiating some important changes—he made a number of acquisitions, he closed down inefficient plants, and he moved factories to Eastern European countries to take advantage of lower labor costs. Then he brought in Ed Foreman to charge up the troops. "After we got Ed in," says Johnston, "people began to live their lives differently. They came to work with a spring in their step." In 3 years, the division was bringing in annual profits of $100 million. Johnston gives a large part of the credit for this turnaround to Foreman.

What is Foreman's secret? He provides motivation and attitude training. Here is an example of Foreman's primary program—called the Successful Life Course. It lasts 3 days and begins each morning at 6 a.m. The first day begins with a chapter from an inspirational handout, followed by 12 minutes of yoga-like stretching. Then participants marched up a hill, chanting, "I know I can, I know I can." This is followed by breakfast and then a variety of lectures on attitude, diet, and exercise. But the primary focus of the program is on attitude. Says Foreman, "It is your attitude, not your aptitude that determines your altitude." Other parts of the program include group hugs, team activities, and mind-control relaxation exercises.

Johnston believes strongly in Foreman's program. "Positive attitude is the single biggest thing that can change a business," says Johnston. He sees Foreman's program as being a critical bridge linking employees with customers: "We are in the business of the maintenance and acquisition of customers." And with so many shoppers going through his stores, Johnston says this "provides a lot of opportunities for customer service. We have got to energize the associates." To prove he is willing to put his money where his mouth is, Johnston has committed $10 million to this training. By year-end 2004, 10,000 managers had taken the course. They, in turn, are training all 190,000 Albertsons "associates", with the help of tapes and books.

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Foreman claims his program works. He cites success at companies like Allstate, Milliken & Co., and Abbott Labs. "The goal is to improve mental, physical, and emotional well-being," he says. "We as individuals determine the success of our own lives. Positive thoughts create positive actions."

Source: Based on M. Burke, "The Guru in the Vegetable Bin," *Forbes*, March 3, 2003, pp. 56–58.

Questions

1. Does behavior always follow from attitudes? Why or why not?

(15 marks)

2. Johnston says, "Positive attitude is the single biggest thing that can change a business." Do you agree with this statement? Why or why not?

(15 marks)

3. Explain the logic as to how Foreman's 3-day course could positively influence Albertson's profitability.

(10 marks)

SECTION B (60 marks): Answer ALL questions.

QUESTION 1

Describe the rational model of decision-making, bounded rationality and intuition.

(20 marks)

QUESTION 2

Discuss the Leader-Member Exchange (LMX) Theory.

(20 marks)

QUESTION 3

Explain the **five (5)** bases of power.

(20 marks)

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